

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of)
) RM - 10822
Elimination of Rate-of-Return Regulation of)
Incumbent Local Exchange Carriers) CC Docket No. 96-45
)
Federal-State Joint Board on Universal)
Service)

To the Commission:

Comments of:

THE OKLAHOMA RURAL TELEPHONE COMPANIES

**Atlas Telephone Company
Beggs Telephone Company
Bixby Telephone Company
Canadian Valley Telephone Company
Central Oklahoma Telephone Company
Cherokee Telephone Company
Chickasaw Telephone Company
Dobson Telephone Company
Grand Telephone Company
Hinton Telephone Company
KanOkla Telephone Association, Inc.
McLoud Telephone Company
Medicine Park Telephone Company
Oklahoma Telephone & Telegraph, Inc.
Oklahoma Western Telephone Company
Panhandle Telephone Cooperative, Inc.
Pinnacle Communications
Pioneer Telephone Cooperative, Inc.
Salina-Spavinaw Telephone Company
Santa Rosa Telephone Cooperative, Inc.
Shidler Telephone Company
South Central Telephone Association, Inc.
Southwest Oklahoma Telephone Company
Shidler Telephone Company
Terral Telephone Company
Valliant Telephone Company**

January 16, 2004

The above-referenced Incumbent Oklahoma Rural Telephone Companies (collectively "Oklahoma RTCs"), by and through their attorneys, submit these comments in response to Western Wireless Corporation's Petition for Rulemaking to Eliminate Rate-of-Return regulations of Incumbent Local Exchange Carriers. The Petitioner, Western Wireless, makes various allegations for the elimination of Rate-of-Return ("ROR") regulation stating that it interferes with their ability to compete with the rural ILEC carriers. Western Wireless' allegations are incorrect and should be rejected due to the following:

I. IN ORDER TO PROPERLY EVALUATE WESTERN WIRELESS' REQUEST TO ELIMINATE RATE-OF-RETURN REGULATION, ONE MUST LOOK BEYOND THE OVERLY BROAD AND GENERALIZED STATEMENTS AND CONCLUSIONS AND EVALUATE THE RELEVANT FACTS

One fact is rate-of-return ("ROR") regulation for rural telephone companies has a legitimate basis in the law as well as practical application to encourage investment in infrastructure to provide rural residents access to telecommunications services that are reasonably comparable to those provided in urban areas. All will agree that had it not been for rate-of-return regulation and the opportunity to earn a reasonable return on the investments made, many investments to serve customers in high cost and insular areas of the United States, particularly Oklahoma, would not have occurred, and those customers would not have the benefits they enjoy today; that is access to the telecommunications network. This access provides customers the ability to call their neighbors, across town, or across the country and also to access the Internet and other advanced technologies and services. The success of rate-of-return regulation is evident by the 95+ percent penetration rate of all households having access to the telecommunications network.

Further, one must look at the underlying basis for Western Wireless' application. That is to skew the marketplace to allow Western Wireless to further enter markets that cannot economically support one carrier let alone multiple providers of telecommunications services. It

must be noted that over the last fifteen years wireless services have enjoyed a substantial growth in market share in an environment of rate-of-return regulation. The FCC has even held that there is a vibrant competitive market-place between wireless carriers. This has occurred because wireless carriers have entered markets where it was economically feasible to do so and because such markets could support additional providers without incurring additional support funds. In the small rural telephone companies' areas, Western Wireless is requesting that ROR methodology be abandoned and replaced with a scheme that favors their wireless technology over landline technology, which would be contrary to the requirement not to favor one technology over the other.

We must look at Western Wireless' request for what it is, and that is a maneuver to give it a competitive advantage in the telecommunications marketplace. However, before any regulatory or legislative action is taken, there must first be a finding that the existing mechanisms are in fact creating inequities that are not sustainable in the current marketplace. Western Wireless' Petition appears to the Oklahoma RTCs to be an attempt to divert the attention of the FCC and other parties away from the real problem: wireless carriers requesting and receiving ETC designation and recovering universal service funding based upon the incumbents' cost rather than the wireless carriers' cost to provide the supported services. It does not make economic sense for a competitive ETC to receive USF above its actual cost to provide the supported services and to use the incumbent LECs' network to provide cheap (and in some cases free) transport and termination of their calls. This form of market entry only encourages a competitive ETC to base their business model on the wireline carriers' USF support, and allows them to engage in what are essentially unfair competitive practices because they can receive a subsidy in excess of their true costs.

Contrary to the unsupported allegations in Western Wireless' petition, the incumbent LECs do have a business risk in investing in plant because of the long depreciation lives and uncertainty of revenues and recovery over the long term. On the other hand, the competitive ETC can deploy lower cost wireless services and take the wireline subsidy payments as a bonus to their stockholders with virtually no business risk. Unlike the incumbent LECs, the wireless ETC does not have to spend any additional funds in order to receive universal service payments. After receiving ETC designation, the wireless ETC merely reports its existing lines served and immediately receives funds on those lines based upon the underlying incumbent LEC's cost. Western Wireless' objective of implementing a forward looking methodology for universal service recovery again is only designed to give them a competitive advantage over the incumbent LEC who has been required by regulation and law to invest in infrastructure to serve their customers.

The Oklahoma RTCs do not believe it is the intent of the Telecommunications Act to create an unfair competitive situation for wireline or wireless industries. However, it would certainly be unfair if one competitor was able to get subsidies in excess of their cost structure, and the other competitor only receives a portion of their true cost. Due to cost and regulatory advantages enjoyed by the wireless industry, there is competition between wireless providers and incumbent LECs, and wireless competition is probably the main reason why incumbent LECs in rural and urban areas are losing access lines.

II. THE LARGEST CAUSE OF GROWTH IN THE FEDERAL UNIVERSAL SERVICE FUND IS DUE TO DISBURSEMENTS TO COMPETITIVE WIRELINE AND WIRELESS CARRIERS, NOT DUE TO DISBURSEMENTS TO RURAL ILECS PURSUANT TO THE RATE-OF-RETURN FORMULAS

Contrary to Western Wireless' allegations, the largest cause of growth in the Federal USF is caused by competitive carriers seeking USF support based on the rural ILEC's actual costs.

As the National Telephone Cooperative Association has stated, "ROR regulation and embedded cost have comprised a combination of policies designed to induce investment in high-cost areas that has enabled the FCC to achieve the goal of universal service in America." *NTCA Washington Report*; Vol. 35, No. 43, Issued 11-03-03.

Further, there are two fatal problems with Western Wireless' assessment. First, the size of the rural ILEC High Cost Loop fund is limited to the rural growth factor¹. Second, the growth of the rural ILEC USF funds is not due to the growth of total ILEC costs, but to the shift in support mechanisms from interstate access to the USF, namely the Interstate Common Line Support (ICLS). The ICLS, implemented in 2002 from the FCC's Rural Access Reform, shifts interstate access costs into the USF, which accounts for the significant growth in the USF High Cost Loop Fund and a decrease in interstate access charges to IXCs. Western Wireless ignored the fact that the shift from interstate access to USF High Cost resulted in the reduction of interstate access rates. The ICLS, as well as the Local Switching Support ("LSS") and the Long Term Support ("LTS") are explicit funds that were shifted from interstate access costs into the USF, significantly reducing interstate access costs to IXCs. Western Wireless cites the growth of USF funding without recognizing the appropriate and expected reductions from interstate access revenue. However, aside from the shift from access to USF, the factor causing the rapid growth in High Cost USF is the Competitive ETC draw of High Cost support since 1999, totaling an estimated \$106.63 million², of which wireless carriers such as Western Wireless are the largest recipients. In summary, the significant growth in the size of the USF funds is not due to rate-of-return regulation, but to the mechanics of the FCC's interim USF rules, stipulating the portability of ILEC USF to Competitive ETCs such as Western Wireless.

¹ 47 CFR Part 36.603 (a) and Part 36.604

² "Universal Service in Rural America: A Congressional Mandate at Risk", Stuart Polikoff, OPASTCO Whitepaper published 2003, A-4, table 3.

III. WESTERN WIRELESS' ALLEGATIONS THAT RATE-OF-RETURN REGULATION DISSERVES THE PUBLIC INTEREST AND EXPOSES THE PUBLIC TO SERIOUS RISKS OF FRAUD AND ABUSE ARE FALSE, OFFENSIVE AND CONTEMPTIBLE

On page 24 of Western Wireless comments, they claim that embedded cost based universal service support generates excessive funding and is highly susceptible to fraud, waste and abuse. They further state that as a "theoretical matter" embedded costs are economically irrelevant to economic decision making and, therefore, the use of embedded costs in setting rates in high cost support is inaccurate. Their argument ignores the fact that embedded costs are proper accounting costs and highly relevant to decision-making. A carrier must generate sufficient revenues to recover its embedded costs since these costs typically must be recovered over a long period of time due to depreciation rules. Therefore, pricing must be designed to recover embedded costs or a carrier will not be a viable business. Embedded costs are extremely relevant in the real world to establishing prices because a provider has to pay for the investment and associated financing over the life of the plant; otherwise, they cannot survive, and ultimately, there will be no competition, and no services provided to consumers.

On page 29 of Western Wireless' comments, they rely on the corporate governance problems and accounting depredations in a totally unrelated RBOC proceeding³ to bootstrap an argument that the Commission has the responsibility to establish and enforce accounting safeguards that help prevent anticompetitive behavior by rural ILECs. It is important to note that since the passage of the Telecommunications Act of 1996, there have been more corporate scandals regarding fraudulent and misleading accounting practices and behavior in the telecommunications industry than in the previous fifty years combined. An unbiased observer would likely deduce that the advent of competition and the demand for increasing profits to

³ Separate Joint Statement of Commissioner Michael J. Copps and Commissioner Jonathan S. Adelsterin, Concurring, *Section 272(f)(1) Sunset of the BOC Separate Affiliate and Related*

maintain Wall Street's favor has incited competitors to take such actions. However, Congress and revised accounting rules have resulted in increasing penalties and fines and refunds for such behavior that did not exist prior to the 1996 Telecommunications Act.

Rate-of-return regulation does not result in waste, fraud and abuse. Earning a prescribed return on regulated costs of serving rural subscribers does not entail waste, fraud or abuse. The charge by Western Wireless that regulators and external auditors hardly, if ever, look at the books, is patently false. The very fact is that nearly all states require audited financials as a part of filing publicly available annual reports. Additionally, to fulfill their obligation to certify to the FCC as to the use of USF funds, states are directly interested in the expenditures of rural ILECs. Further, the National Exchange Carrier Association ("NECA") reviews every filing of the ILECs, and adequate support must be provided for any "rural ILEC" to receive USF support. NECA also conducts periodic audits of participating companies.

Western Wireless' allegations are quite surprising when they, as a wireless carrier, are not subject to the strict state and federal regulatory oversight the rural ILECs are. Unlike the wireless carriers, the rural ILECs' regulated rates must be filed with and approved by the state and federal regulatory agencies. The rural ILECs must charge consumers their state and federal approved tariffed rates for the regulated services they provide, earning an established rate-of-return. In contrast, Western Wireless is free to charge consumers any rates they want, earning as high rate-of-return as their marketing and business practices will achieve without any regulatory inspection and approval. Western Wireless relies upon a few state commission actions to support its broad and grossly inflated statements concerning the ILECs earnings and accounting practices. These allegations are humorous in light of the fact that Western Wireless is not subject to any regulatory oversight to prevent their overearning. In fact, in states where Western

Wireless has received ETC designation, it receives USF without incurring any additional costs or expenses and without any examination to determine if the additional funds are necessary for it to earn a reasonable return on its investment to provide the services supported by USF. It is easy to conclude that receiving revenues in excess of its costs, would result in a return that may be above that prescribed for rural carriers under rate-of-return regulation.

a. Ironically, Western Wireless' own actions disserve the public interest and exposes the public to serious risks of fraud and abuse

Western Wireless has received **conditional ETC status** from the Oklahoma Corporation Commission by Order No. 450765 as clarified by Order No. 451535, attached hereto as Attachment "A". To date, Western Wireless has not met the conditions imposed by the OCC to be designated as an ETC in the State of Oklahoma. Notwithstanding the fact that Western Wireless has not met the OCC's conditions, Western Wireless has attempted to self certify that it is an ETC to the Universal Service Administrative Corporation (USAC), and thus be eligible to receive USF funding for the State of Oklahoma. Pursuant to FCC procedures, only carriers not subject to state jurisdiction may certify directly to the FCC and USAC.⁴ Because Western Wireless has not met the Oklahoma Corporation Commission's conditions, the Oklahoma Corporation Commission has not certified to USAC on behalf of Western Wireless. Despite the fact that it has yet to comply with the OCC order, Western Wireless has attempted to self-certify to USAC they are an ETC as set forth in the attached self-certification, Certification Checklists, and line count information sent to USAC. (Please see Attachment "B"). Although Western Wireless stated they have been granted conditional ETC status, they have failed to notify USAC that they have not met the OCC's conditions. It would be easy to conclude that this type of action is deceptive and fraudulent. Fortunately, Western Wireless' false self-certification was

May 19, 2003).

⁴ Please refer to USAC's website on high cost funds at www.universalservice.org.

discovered by the Oklahoma Corporation Commission who promptly notified USAC of Western Wireless' non-ETC status. To date, USAC has not released USF funds to Western Wireless based upon their non-ETC status.

The conditions imposed on Western Wireless by the OCC are intended to ensure the public interest as set forth in Section 214(e) of the Act. Western Wireless's actions appear to make a mockery of the Oklahoma Commission's conditions designed to protect the public and placed on Western Wireless as a condition for receiving USF money. Western Wireless' arguments are contrary to their actual practice; Western Wireless applies different rules to itself.

- b. ROR Regulation does not create incentives for inefficiency nor does it impede innovation for the rural ILECs that provide comparable, if not better service to their rural customers than those in the urban markets.**

Western Wireless is under some delusion that carriers under ROR regulation lack incentives to be efficient and deploy advanced technologies to their subscribers. The circumstances Western Wireless relies on for its conclusion demonstrates that rate-of-return regulation is working. In the absence of rate-of-return regulation, there would be no restraint on "over earnings." Defining what is deemed efficient for rural subscribers can best be observed from the investment in the rural Oklahoma study areas right now. Currently, as a result of current support mechanisms, subscribers in very rural areas in Oklahoma receive ADSL service, equal access and calling features that are comparable to those in urban areas, and at comparable prices. As this is written, fiber-to-the-home networks are being deployed, installed or budgeted for rural communities in Oklahoma, based on the feasibility of both billed revenue and existing support mechanisms. If the ILECs' support mechanism is based on anything other than actual cost, the ILECs' incentive to invest will no longer exist, and investment will decrease at a significant rate. A similar reality was faced by the FCC in the Triennial Review, where the impairment standard was to include sunk costs, and it was conceded that if the incumbent LEC

was forced to share new fiber facilities with competitors, those investments would not be made. Further, NECA files an annual tariff with the FCC based on the rural ILECs investment and expenses. If expenditures are excessive, NECA questions these amounts and requires support information from the ILEC.

Western Wireless makes further allegations that the current high-cost system is irrational because it gives rural ILECs vastly more support than larger carriers for serving identical geographic areas, rewarding them for being small and ignoring whether they are efficient or not. Western Wireless' comparisons to areas served by large carriers is ill-placed. The primary driver of the rural ILEC support mechanisms is customer density and total customer base. On a comparison of the non-rural ILECs to the rural ILECs on the basis of total loops; the comparison to identical geographic area loses all meaning. For example, Salina-Spavinaw Telephone Company serves over 8,000 rural customers in northeast Oklahoma over 600 square miles. This equates to only 13.13 subscribers per mile. Pioneer Telephone Cooperative, Inc. serves seventy-six (76) exchanges, and approximately 50,000 subscribers over 10,900 square miles. This equates to only four point six (4.6) subscribers per mile. Southwest Oklahoma Telephone Company serves over 410 route miles and 853 customers. This equates to only 2 customers per mile. Compare these examples to SBC Oklahoma that serves approximately 526 subscribers per square mile in Oklahoma City and 392 subscribers per square mile in Tulsa.⁵ Western Wireless' allegations are unfounded.

III. RATE-OF-RETURN REGULATION SHOULD NOT BE ELIMINATED IMMEDIATELY DUE TO WESTERN WIRELESS' UNFOUNDED ALLEGATIONS THAT IT IS A BARRIER TO COMPETITION

Western Wireless and other wireless carriers have already entered the marketplace without reliance on any subsidy funds. Presumably, these market-entry decisions were made

⁵ HAI Model, Release 5.0a, dated January 28, 1998.

without reliance on subsidy funds and without speculation of what it would cost to enter the market in the future. One would then assume that wireless carriers, such as Western Wireless, have entered markets that presumably can sustain more than one provider of service. If other markets could have supported more than one provider, one would assume that these wireless carriers would already be in those markets. Their decision to enter these markets then must be based upon uneconomic reasons including the receipt of subsidy funds. Rural telephone companies have a responsibility and obligation under the law to serve all customers who request service in accordance with their carrier of last resort (COLR) obligation. Wireless carriers and other new entrants into the telecommunications marketplace do not have the COLR obligation. Therefore, the Commission must carefully consider the benefits to consumers before modifying a system that currently provides all the supported services to over 95% of the households (and probably approaching 100% of the households who want telecommunications services) before abandoning the a-rate-of-return methodology that is currently providing benefits to the consumers that may not be provided under a new regime. The Commission must also be mindful that by law universal service fund monies can only be spent to provide the supported services. Mobility is not a supported service.

The opportunity for profit should drive market entry, not the opportunity for subsidies. Where the opportunity for profit has been non-existent, regulators adopted subsidies to expand the availability of desirable services to such areas. Therefore, the Oklahoma RTC's contend that abandoning rate-of-return cost recovery for the carriers of last resort would amount to favoring one technology over the other, and is contrary to federal law. Western Wireless concedes that it costs more to provide service to customers in sparsely populated rural areas versus urban areas. Therefore, one can only conclude that the rural ILECs must be highly subsidized because their

service areas cannot support one carrier without support funds much less support additional providers of the same services.

V. A FORWARD LOOKING COST METHODOLOGY IS NOT MANDATED FOR THE RURAL HIGH COST AREAS, AND MAY RESULT IN HIGHER COSTS FOR RURAL CARRIERS

The abandonment of rate-of-return regulation and the implementation of the new forward looking cost based system advocated by Western Wireless would eliminate the rural ILEC's ability to recover historical cost and would place them at a competitive disadvantage. Western Wireless' argument would also act to the detriment of the network as a whole because it would disincite investment in critical components that only the incumbent LEC is providing today. Western Wireless' statements that forward looking costs will assure the preservation and advancement of universal service are pure speculation, not based on fact. It is possible that the forward-looking model would produce costs much higher than historical costs. It has been established that forward-looking models, particularly the FCC's Hybrid Cost Proxy Model, have been demonstrated to produce unreasonable and unrealistic results on an individual study area level.⁶ The Oklahoma RTCs do not oppose competitive ETCs receiving cost support. Rather, the Oklahoma RTCs support a policy that cost support should be at a level that insures recovery of their own underlying costs to provide service and not subsidy payments in excess of their true costs.

Contrary to Western Wireless' Petition, the goal of the Telecommunication Act of 1996 does not simply seek lower prices, nor does the Act require use of forward-looking models as the formal method in determining costs for USF purposes. The objectives of Western Wireless' Petition is to favor wireless technology over wireline by utilizing forward-looking cost models, but without any consideration of the appropriateness of such forward-looking

⁶ "Universal Service and the Myth of the Level Playing Field", Dale Lehman, August 12, 2003. p. 12.

costs in the rural areas. The Act gives special consideration to rural, high cost areas.⁷ Specifically, for high cost areas the Act provides a rural exemption for rural carriers, requires eligible carriers to meet the public interest standard, requires comparable rates regardless of geography or cost, as well as the intent for the funding to be sustainable and predictable. Nowhere does the Act require or promote forward-looking models as the basis of costs for universal service purposes. The Act mentions nothing about a specific method determining costs for USF as it does with respect to competitive issues including unbundling and interconnection.

VI. WESTERN WIRELESS' PETITION IS PREMATURE AND CAN NOT BE CONSIDERED PRIOR TO THE FCC DETERMINING ANCILLARY ISSUES

Prior to the FCC undertaking a new rulemaking the following issues must be determined:

1. Before the FCC undertakes a new rulemaking they should satisfy themselves that the rural consumers are in fact not receiving affordable telecommunications services that are supported by the federal universal service funds and comparable in quality and price to urban areas;
2. That removing of any funding from the incumbent LECs would still provide sufficient funding to provide for critical infrastructure in rural areas, particularly in light of the homeland security issues currently facing our nation;
3. Gather facts and evaluate whether in rural, sparsely populated areas served by rural telephone companies will the benefits exceed the cost to the public to support multiple providers of services and would the new entrants provide supported services that are not currently being provided to those areas; and
4. Collect facts and analyze whether modifying the current system would create uneconomic competition and advantage one technology over the other.

The Oklahoma RTCs suggest that one possible solution is to establish an appropriate and distinct mechanism for allocating high cost funds available to competing ETCs parallel, to the existing and specific rules applicable to rural incumbent telephone companies. This mechanism should be founded on the following three principles:

1. States should determine competitive ETC eligibility for participation after a determination that such granting of eligibility is in the public interest as required

⁷ Section 251 (f), Section 214 (e) (2), Section 254 (b) (2) and (3), Section 254 (b) (5).

- by current law. In making this required public interest finding, the Oklahoma RTCs respectfully submit that the applicable standard must be that the benefits received by the public will exceed the cost associated with the designation period.
2. The competitive ETCs should be held to similar regulatory standards and service obligations as are the rural telephone companies.
 3. The competing ETCs USF funding should not be based upon incumbent LEC cost, but rather on a cost methodology more closely reflecting the competing ETCs cost to provide the supported services.

The Oklahoma RTCs believe that implementing a mechanism based upon the foregoing principles will eliminate an unintended windfall in the current system that allows a competitive ETC to receive payments on the basis on the cost recovery of the incumbent LEC.

VII. WESTERN WIRELESS' ARGUMENTS THAT IMPLICIT SUBSIDIES CONTINUE TO EXIST AND MUST BE ELIMINATED TO PROMOTE COMPETITION ARE SELF-SERVING, INCORRECT, AND DIRECTLY FRUSTRATE THE GOALS OF UNIVERSAL SERVICE.

Contrary to Western Wireless' allegations, implicit subsidies have already been reclassified as explicit for the rural ILECs. The creation and administration of the USAC Local Switching Support, Long Term Support and Interstate Common Line Support mechanisms have moved support from interstate access rates and into USF High Cost Support resulting in an estimated decrease of access charges by \$527 million. During the same test periods, the explicit USF settlements (LTS, LSS and ICLS) combined, grew by an estimated \$355 million, leaving a net decrease in settlements of \$172 million, even though total interstate revenue requirement increased by \$222.50 million.⁸ By analyzing the USF without looking at interstate access is to see only part of the picture. In addition to these mechanisms, subscribers have also begun to bear a significant increase in their monthly bills resulting from increases in end user subscriber line charges, federal universal service charges and other fees since the inception of competition in the local exchange. The trend has been to reduce the costs to interexchange and wireless

⁸ "Pricing Initiatives: Access Reform to Retail Bundling", presentation by Victor Glass at 2003 NECA Expo in San Antonio. page.24-25.

carriers, by increasing the cost of monthly telephone service to the end user. Western Wireless' argument that implicit subsidies continue is contrary to the facts and is intended to divert attention from the obvious shift of the cost burden from the carrier to the end user.


CONCLUSION

The Oklahoma RTCs caution the FCC about accepting the comments made by Western Wireless which are simply self-serving and contrary to the facts. Wherefore, the Oklahoma RTCs request that the Commission reject the Petitioner Western Wireless' Request to implement a rulemaking to eliminate rate-of-return regulation.

Finally, the Oklahoma RTCs look forward to participating to the fullest extent in this proceeding, including the presentation of *Ex Parte* comments to further elaborate on the issues discussed herein.

Respectfully submitted,

OKLAHOMA RURAL TELEPHONE COMPANIES

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ATTACHMENT "A"

**Oklahoma Corporation Commission Orders
Granting Western Wireless Conditional ETC Status**

BEFORE THE CORPORATION COMMISSION OF THE STATE OF OKLAHOMA

mos
APPLICATION OF GCC LICENSE)
CORPORATION FOR CERTIFICATION AS AN)
ELIGIBLE TELECOMMUNICATIONS CARRIER)
PURSUANT TO THE TELECOMMUNICATIONS)
ACT OF 1996)

CAUSE NO. PUD 980000470

ORDER NO. **450765**

**FINAL ORDER APPROVING GCC LICENSE CORPORATION AS AN ELIGIBLE
TELECOMMUNICATIONS CARRIER**

BY THE COMMISSION:

The Corporation Commission of the State of Oklahoma (the "Commission") being regularly in session and the undersigned Commissioners being present and participating, there comes on for consideration the request of GCC Licensing Corporation ("GCC") for designation as an eligible telecommunications carrier ("ETC").

I. PROCEDURAL HISTORY

On October 23, 1998, the Commission issued Order No. 427782 prescribing the notice to be given and establishing a procedural schedule.

On November 24, 1998, motions to intervene were filed separately by Oklahoma Communications Systems, Inc. ("OCSI") and Alltel Oklahoma, Inc. ("Alltel") requesting to participate as parties in this cause.

On November 24, 1998, a Motion for Intervention was filed on behalf of Carnegie Telephone Company, Dobson Telephone Company, Hinton Telephone Company, Pioneer Telephone Cooperative, Inc., Santa Rosa Telephone Cooperative, Inc., and Southwest Oklahoma Telephone Company.

On December 14, 1998, the Commission issued Order No. 428896 granting the aforementioned Motions to Intervene.

On December 23, 1998, a Motion to Intervene was filed on behalf of Chouteau Telephone Company and Totah Telephone Company requesting authority to allow them to fully

participate as parties in the case. By agreement of the parties, Choteau and Totah were allowed to intervene as parties in this cause, with the limitation that they would not be allowed to file testimony or cross-examine witnesses.

Testimony was filed by the parties in accordance with the procedural schedule issued in this Cause.

On January 14, 1999, this Cause came on for hearing on the merits before the Administrative Law Judge ("ALJ") pursuant to the Notice and the Order of the Commission. The ALJ continued the hearing on the merits to complete the cause to March 15 and 16 at 9:00 a.m.

On March 15, 1999, the ALJ reopened the record to hear additional testimony of witnesses sworn and examined, and to take evidence on the record. At the conclusion of the evidentiary record, the parties agreed to submit simultaneous briefs. The parties filed briefs on May 5, 1999.

The ALJ issued the Report of the Administrative Law Judge on July 1, 1999. In his report, the ALJ recommended that it was not in the best public interest to issue an order designating GCC as an ETC.

On July 9, 1999, GCC filed an Appeal and Exceptions of GCC License Corporation. On July 12, 1999, Staff filed its response to GCC's appeal. The appeal was heard before the Commission *en banc* on July 13, 1999. GCC's Appeal of the Report of the Administrative Law Judge was deliberated by the Commission *en banc* on September 8, 1999.

On July 16, 1999, counsel for GCC submitted a letter to Commissioner Apple requesting the acceptance of a late-filed exhibit which is a copy of an Order issued by the Washington Utilities and Transportation Commission on December 23, 1997, which designated certain companies as eligible telecommunications carriers. Counsel requested the Commission's approval of the late-filed exhibit pursuant to Commission Rule OAC 165:5-13-3(k)(8). On July 21, 1999, counsel for some of the intervenors submitted a response objecting to the request for admission of a late-filed exhibit by counsel for GCC.

On April 11, 2000, GCC filed its Motion to Reopen Record for Additional Evidence and Argument and to Advance Motion to Commission *En Banc*. In its Motion, GCC requested that decisions in cases from other jurisdictions which were issued after the record was closed in this

Cause and which were alleged to be relevant to the issues before the Commission in this Cause be admitted into the record. These decisions, made by regulatory commissions in Minnesota, North Dakota, Kansas and Washington and by a state court in South Dakota, were specifically described in GCC's Motion.

On April 25, 2000, the Commission *en banc* issued its Order Remanding Cause, Order No. 440617, remanding the case to the ALJ for further hearing.

Interim Order, No. 441293 was issued by the Commission and entered in this Cause on May 19, 2000. The Order required GCC to file a brief by May 18, 2000, addressing whether the cases as set out in the Motion to Reopen Record for Additional Evidence and Argument and to Advance Motion to Commission *En Banc*, should be considered by this Commission. Also pursuant to Interim Order, No. 441293, other parties in the Cause were directed to file response briefs by June 1, 2000.

The Order further directed that upon review of the briefs and any additional arguments which the ALJ deemed appropriate, the ALJ should file an amended report in this Cause. Any party deeming itself aggrieved by such amended report could appeal it to the Commission *en banc* pursuant to the Commission's rules.

On May 18, 2000, GCC filed its Supplemental Brief of GCC License Corporation Summarizing Various State ETC Decisions in Support of Its Application for Federal and State Designation.

Reply briefs were filed by the other parties on June 1, 2000, pursuant to Interim Order, No. 441293.

On August 4, 2000, the ALJ filed the Supplemental Report of the Administrative Law Judge. In the Supplemental Report, the ALJ recommended that the decisions submitted by GCC not be included as exhibits in the record because they did not tend to prove or disapprove any issue in the Cause and because the ALJ did not believe that GCC had met the burden of proof to show the relevancy of such decisions. The ALJ repeated his earlier recommendation that GCC's Application be denied based upon his conclusion that GCC failed to meet all the prerequisites necessary to be designated as an eligible telecommunications carrier for purposes of obtaining universal service support and that it was not in the public interest to grant GCC's application.

On August 11, 2000, GCC filed its appeal of the Supplemental Report of the Administrative Law Judge.

On August 16, 2000, at the arguments that were heard before the Commission *en banc* in connection with its appeal, GCC notified the Commissioners of the issuance of a declaratory ruling by the Federal Communications Commission ("FCC") on August 10, 2000, and asserted that such declaratory ruling had an impact on the Commission's considerations in this Cause. The Commission then directed all parties in the case to file supplemental briefs with respect to the FCC's declaratory ruling. In response to the direction from the Commission, all parties filed supplemental briefs on September 1, 2000.

After receiving such briefs, and without further arguments by the parties, the Commission conducted deliberations *en banc* on this matter on October 4, 2000.

II. SUMMARY OF THE EVIDENCE

A. GCC.

Mr. Gene DeJordy was called as the witness for GCC. Mr. DeJordy is the Executive Director of Regulatory Affairs of Western Wireless Corporation, of which GCC is a wholly-owned subsidiary. His responsibilities include regulatory and legislative matters for GCC and he was authorized to appear and sponsor testimony on behalf of GCC in this proceeding. Mr. DeJordy testified that, among his other qualifications, he is a licensed attorney. The ALJ ruled that, based on his status and qualifications, Mr. DeJordy was qualified to testify as an expert with regard to legal and telecommunications issues.

Mr. DeJordy adopted the direct prefiled testimony of Brian Kirkpatrick (Exhibit 11) which was filed on behalf of GCC, with some specific changes which he identified, and which were noted in the record. He also adopted prefiled rebuttal testimony (Exhibit 27) which he prepared and filed on behalf of GCC. Mr. DeJordy also identified Exhibit 28, which he had prepared, as clarifying the scope of the service areas in which GCC is seeking Eligible Telecommunications Carrier ("ETC") designation. Exhibit 28 lists the Oklahoma study areas of Carnegie Telephone Company, Hinton Telephone Company, Inc., Santa Rosa Telephone Cooperative, Southwest Oklahoma Telephone Company, Terral Telephone Company and the local exchanges of Southwestern Bell Telephone Company (SWBT). Mr. DeJordy stated that his

examination of the Commission's maps and records showed that all of the local exchanges and study areas of the telephone companies identified in Exhibit 28 were entirely within GCC's FCC authorized service area in Oklahoma. Mr. DeJordy formally amended GCC's Application to state that the local exchanges and study areas identified in Exhibit 28 are the areas for which GCC is seeking ETC designation by the Commission in this Cause. He further stated that all of the telephone companies identified on Exhibit 28, except SWBT, are rural telephone companies as defined by the Federal Telecommunications Act of 1996, 47 U.S.C. §§151, *et seq.* (the "Act"). Mr. DeJordy also identified Exhibit 29, which was prepared under his supervision, as showing GCC's current signal coverage area in Oklahoma.

Mr. DeJordy testified that GCC is duly qualified as a foreign corporation authorized to do business in Oklahoma. He further testified that GCC is seeking ETC designation for purposes of obtaining both federal and state universal service support. Mr. DeJordy stated that Section 214(e) of the Act specifically provides for the designation of all telecommunications carriers, including wireless carriers such as GCC, who meet the criteria of Section 214(e)(1) as an ETC for universal service support. He stated that the FCC has definitively concluded that ETC designation for wireless carriers is appropriate under Section 214(e)(1).

Mr. DeJordy testified that GCC meets the requirements for federal ETC designation set forth in 47 U.S.C. §214(e)(1). First, GCC is a common carrier. Second, GCC currently provides with its existing network each of the nine functionalities designated by the FCC as supported services eligible for federal universal service support: (1) voice-grade access to the public switched telephone networks; (2) local usage; (3) dual tone multi-frequency signaling or its functional equivalent; (4) single-party service or its functional equivalent; (5) access to emergency services; (6) access to operator services; (7) access to interexchange service; (8) access to directory assistance; and (9) toll limitation for international calls, but the capability for all toll calls for qualifying low-income consumers. Third, GCC will meet the advertising requirement by advertising its universal service offerings in media of general distribution within the designated area. Mr. DeJordy stated that GCC currently advertises its wireless service to both residential and business customers through several different media, including newspaper, television, radio and billboard advertising, as well as through the various retail store locations which GCC maintains throughout its Oklahoma service area. He further stated that, upon

receiving ETC designation, GCC will use the same media of general distribution to advertise the availability of the supported services and the corresponding charges for such services using the same media of general distribution and in a manner that fully informs the general public. Mr. DeJordy agreed to provide examples of this advertising to the Director of the Commission's Public Utility Division prior to seeking any universal service funding, and agreed to comply with any advertising requirements which may be adopted by the FCC or the Commission and required of all designated ETCs.

Mr. DeJordy stated that upon receiving ETC designation, GCC will offer and provide the supported services as a universal service offering as required by the FCC using its existing cellular network infrastructure. He also testified that GCC plans initially to use wireless local loops to provide these services to customers and may expand its universal service offerings to introduce a mobility component that will allow consumers to use their phones outside of their homes. Mr. DeJordy further testified that GCC will make available to consumers within its designated service areas the supported services, which will be packaged into a universal service offering tailored to consumers' communication needs.

Mr. DeJordy testified that neither the criteria in Section 214(e)(1) of the Act, nor those in the Commission's rules, require an applicant for ETC designation to be actually providing a universal service offering to customers or advertising such an offering before receiving ETC designation. Rather, he stated that a carrier must first be designated as an ETC in order to be eligible to receive universal service subsidies. As a practical matter, Mr. DeJordy stated that no carrier could be expected to compete effectively or provision universal services to a customer without the prior ability to receive such subsidies. Moreover, the rate for such an offering cannot be finally determined unless the carrier knows the amount of the subsidies it will receive. Since ETC designation is a prerequisite to receiving the subsidies, ETC designation must be obtained by a competing carrier prior to its actually offering or advertising a universal service offering. Mr. DeJordy stated that a proper reading of the Act requires the Commission to determine whether a common carrier is capable of providing the supported services and to review its plans to advertise the availability of such services. The actual obligation to "offer the services" or "advertise" a universal service offering under the Act is an obligation of a carrier upon receipt of its ETC designation.

Mr. DeJordy testified that although the Commission does not have jurisdictional authority to regulate a commercial mobile radio service ("CMRS") provider, the FCC has indicated that such absence of regulation by a state commission does not prevent a CMRS carrier from being designated as an ETC for purpose of receiving universal service support. With regard to state ETC requirements, DeJordy noted that the Commission's rules recognize that a CMRS provider's regulatory status must not be used to hinder the ETC process. Therefore, the Commission's own rules recognize that a CMRS provider, such as GCC, is to be designated as an ETC without being certificated or required to meet other similar criteria which would be applicable to landline service providers subject to regulation by the Commission.

Mr. DeJordy testified that designation of GCC as an additional ETC in rural areas is in the public interest. Consumers in the rural areas where GCC is seeking ETC designation will be significantly benefited by the effects of competition brought about by such designation. The public interest standard under Section 214(e)(2) of the Act for designating an additional ETC in territories served by a rural telephone company emphasizes competition and consumer benefit, not protection of incumbent monopoly carriers. Failure to designate GCC as an ETC will deprive consumers of the benefits of competition, including increased communication choices, higher quality services, and lower rates. Absent such ETC designation, an incumbent provider has little or no incentive to introduce new, innovative, or advanced service offerings. Competition promises to bring new and exciting services to the rural customer.

On cross-examination by Mr. Waddell, Mr. DeJordy confirmed that as a result of the amendments made to GCC's Application it is no longer seeking ETC designation in any of the exchanges of Alltel Telephone, Inc. and Oklahoma Communications Systems, Inc. In response to cross-examination by Mr. Comingdeer, Mr. DeJordy provided late-filed Exhibit 30, which shows that the FCC licensed service territory for GCC covers all of the exchange areas identified in Exhibit 28 which is GCC's requested service area herein.

Mr. DeJordy stated that an underlying principle for universal service is that it should be competitively neutral and should not give the recipient of a subsidy a competitive advantage over another provider of services in the same area.

In response to further cross-examination by Mr. Comingdeer, Mr. DeJordy emphasized, as he testified on direct examination, that GCC currently provides or has the capability of

providing all of the supported services. In response to questions about some of the supported services, he testified that GCC customers have access to: the public switch networks; local usage; emergency services; interexchange service and directory assistance. He further testified GCC's low income universal service customers will have access to toll limitation service utilizing the same toll blocking technology currently available for international calls on GCC's network. Mr. DeJordy testified that upon receiving ETC designation, GCC will combine all of the supported services and offer them as a universal service package that is responsive to customer needs and competitive with the incumbent local exchange carrier's rates.

Mr. DeJordy stated on cross-examination that GCC's intended initial universal service package will be a wireless local loop offering. He stated that all of the facilities to provide this wireless local loop service throughout GCC's service area are in place today. He also stated that the quality of this service is better than hand-held mobile service and often equal to or better than traditional landline service. Mr. DeJordy also stated that the wireless local loop service will provide certain limited mobility benefits not available with traditional landline service.

Mr. DeJordy further testified on cross-examination that GCC envisions the universal service packages it will offer will be very similar to the local exchange service which the incumbent carriers offer today, with some additional attributes that are associated with cellular service offerings. He stated that the wireless local loop service which GCC will provide will have a dial tone and the ability to connect other telephones, as well as computers and facsimiles, to the unit. As an example of an attribute of cellular service, he testified that GCC's universal service offerings will have larger local calling areas than are typically available through current local exchange service.

With respect to the local calling areas, Mr. DeJordy testified that GCC has conducted research in other states and determined that customers in rural areas want larger local calling areas and more of a portable, mobile capacity than is available from traditional landline services. He stated that as a result of this research the local calling areas which GCC plans as part of its universal service offerings will probably not be the same as current local exchange areas, but that GCC, as a competitive carrier, will attempt to determine a particular locality's "community of interest" and design its local calling area to correspond with that. As a result, each of GCC's local calling areas will likely include at least several landline exchanges. This will allow a

customer to place and receive an unlimited number of calls within an expanded local calling area, and avoid incurring long distance charges, for a price that is comparable to the current cost of local exchange service in a more limited local area.

Mr. DeJordy responded to several questions on cross-examination from both Mr. Comingdeer and Ms. Ryan concerning GCC's plans for pricing its universal service package. He stated that GCC anticipates that one of its universal service offerings will be priced on a fixed rate basis, with unlimited local usage for both outgoing and incoming calls, and that such price will be comparable to the rate being offered by incumbent local exchange carriers today. He stated that in order to be successful GCC's universal service package will have to be offered at a price that is competitive with what the incumbent local exchange carriers offer today. He stated that he was not aware of the specific prices that are offered by these incumbent carriers today, but, upon being designated as an ETC, GCC will determine that price and design its offering to be competitive. Mr. DeJordy testified that GCC cannot finalize the price of its universal service offering until after it receives its ETC designation. He stated that only then will GCC be able to determine the current price being offered by the incumbent which GCC will be competing with and the amount of the subsidies which GCC will be eligible to receive from federal and state universal service funds. He stated that although GCC cannot state a specific price for its universal service offering at this time, it is anticipated that it would be similar to the packages GCC is currently offering in Nevada and North Dakota, which are priced in the range of \$12.00-\$15.00 a month.

Mr. DeJordy testified that GCC is unable to advertise its universal service offering until such particulars as the local calling area and price are finally determined. At that time the specific offering will be clearly identified for the public and a copy of all such advertising submitted to the Director of the Commission's Public Utility Division for advance approval.

Mr. DeJordy testified that it would be economically impossible for GCC to offer a package of the supported services unless it is designated as an ETC, thus making it eligible to receive federal and state universal service fund subsidies. He stated that without the subsidies, a competitive company, such as GCC, is unable to compete with the incumbent local exchange carriers which currently receive such subsidies.

Mr. DeJordy also testified with regard to his understanding of whether the services offered by a CMRS provider, such as GCC, are regulated by the FCC or state authorities. He stated that the FCC has regulatory oversight over CMRS carriers. He also stated, however, that GCC would work with the Commission with respect to issues such as quality of service and customer complaints, and, to the extent those issues come within the Commission's jurisdiction, GCC would certainly submit to that jurisdiction and comply with any applicable rules and regulations of the Commission.

B. Intervenor.

Mr. Ted Hankins was called as the witness for Carnegie Telephone Company, Hinton Telephone Company, Pioneer Telephone Cooperative, Inc., Santa Rosa Telephone Cooperative, Inc., and Southwest Oklahoma Telephone Company. Mr. Hankins is employed by Cathey, Hutton & Associates, a consulting firm retained to represent the companies in this case. Mr. Hankins was qualified as an expert witness in telecommunications and subsequently adopted the prefiled testimony of Jo Shotwell. Mr. Hankins testified that the telephone companies he represents in this case are rural telephone companies as that term is defined in 47 U.S.C. §153(37) and have been designated as eligible telecommunications carriers and carriers of last resort for the local exchange service area that each company serves within the State of Oklahoma. Mr. Hankins further testified that the Act sets forth certain requirements that a carrier must meet prior to being designated as an eligible telecommunications carrier for the receipt of Universal Service Funds. The requirements contained in 47 U.S.C. §214 require that the carrier must, prior to its designation as an eligible telecommunications carrier, and throughout the service area for which the designation is sought (1) offer the services that are supported by Federal Universal Service Support Mechanisms under §254(c), either using its own facilities or a combination of its own facilities and resale of another carriers services (including the services offered by another eligible telecommunications carrier); and (2) advertise the availability of such services and the charges therefore, using media of general distribution.

Mr. Hankins further testified that 47 U.S.C. §214(e)(5) defines service area as being a "geographic area established by a state commission for the purpose of determining universal service obligations and support mechanisms. In the case of an area served by a Rural Telephone Company, 'service area' means such companies 'study area' unless and until the Commission and

the States, after taking into account recommendations of a Federal-State Joint Board instituted under §410, established a different definition of service area for such company.” Mr. Hankins further testified that in areas served by rural telephone companies in addition to the requirements set forth above that the state commission must make a determination that the designation of an additional carrier as eligible to receive universal service funds must be in the public interest.

Mr. Hankins further testified that GCC is not presently providing all of the services required to be provided to be eligible for Federal U.S.F. support; GCC is not advertising the availability and charges for the eligible services in a media of general distribution as required by the Act and, therefore, has not met the criteria to be designated as an eligible telecommunications carrier. Mr. Hankins further stated that it would not be in the public interest to designate another carrier as eligible to receive universal service fund support in the areas served by the rural telephone companies at this time. Mr. Hankins concluded his testimony by requesting the Commission to allow additional time to study the issues and concerns raised by the Application; to wait to see the results of the FCC Notice of Proposed Rulemaking on U.S.F. support to wireless providers; and for the Commission to thoroughly examine and analyze the ramifications for the small rural incumbent local exchange carriers and their carrier of last resort obligations and until such a thorough examination is concluded the Commission cannot make a finding that it is in the public interest to designate an additional carrier, in the areas served by the rural telephone companies, as eligible for Universal Service Fund support.

C. Staff.

Barbara L. Mallett testified on behalf of the Public Utility Division Staff of the Oklahoma Corporation Commission, as the Tariff and Cost of Service Analyst who was assigned to review the application filed herein. Ms. Mallett offered testimony concerning the applicant’s request to be designated as an ETC for the purpose of seeking funds from both the Federal Universal Service Fund and the Oklahoma Universal Service Fund. She adopted the prefiled testimony which she prepared and filed in this cause.

Ms. Mallett testified that GCC was seeking designation as an ETC for the purpose of requesting funds from both the Federal Universal Service Fund and the Oklahoma Universal Service Fund, and therefore, was required to satisfy not only the federal requirements under 47 U.S.C. Section 214(e), but also the requirements under OAC 165:59-3-14. She further testified

that there are five requirements under the federal code. These are (1) applicant must have a service area established by the state regulatory commission; (2) applicant must offer the services that are supported by Federal universal service support mechanisms under section 214(c) throughout its service territory; (3) applicant must not base its request for designation as an eligible carrier solely on resold services, but must have physical facilities in place; (4) applicant must advertise the availability of such services and the charges therefor using media of general distribution; and, (5) the state commission must find that the designation of applicant as an eligible telecommunications carrier is in the public interest if the designation is for an area served by a rural telephone company. Ms. Mallett testified that GCC has not met the federal requirements set out in (2), (4), and (5) above. She testified that GCC does not currently offer toll limitation for low-income customers or local usage, is not advertising its proposed universal service offerings, and has not established rates for the services. Further, Ms. Mallett testified that it is not in the public interest to designate GCC as an ETC because it will draw on both the Universal Service Fund and the Oklahoma Universal Service Fund in order to offer fixed service, of lower quality and at a higher rate, than traditional telephone service already being furnished to Oklahoma's customers: without furnishing additional services or advantages to them that offset the disadvantages. She further testified that GCC can provide the services it has proposed without being designated an eligible telecommunications carrier.

Ms. Mallett further testified that GCC failed to meet the requirements set out in OAC 165:59-3-14, to wit: (1) GCC currently provides no services in Oklahoma under its own name, and satisfactorily provides only four of the nine required services under the name of another company; (2) an applicant for ETC "may only receive funding for the portion of the facilities that it owns, maintains and are used for regulated services." GCC, as a wireless carrier, is not certificated by the Oklahoma Corporation Commission to provide any type of telecommunications service in Oklahoma, therefore none of its services are regulated and it is not eligible for funding from the OUSF for provisioning of local exchange service; (3) under Oklahoma's rules, only "Other eligible telecommunications carriers which provide Special Universal Services or Lifeline service shall be eligible to request and receive OUSF funds...." GCC is a cellular carrier and does not provide Special Universal Services to schools, hospitals and libraries as described in 17 O.S. Section 139.109 and OAC 165:59-1-4, and GCC has stated

that it does not serve any Lifeline customers in Oklahoma, and (4) under OAC 165:59-3-14(d)(3), an applicant for designation as an additional ETC must "seek and accept carrier of last resort obligations throughout the universal service area...." GCC has failed to meet this obligation.

Ms. Mallett further testified in direct examination that to be designated an ETC, an applicant has to be offering and advertising a universal service package. GCC had not defined a universal service package, had not priced a universal service package, and did not intend to do so until after it had received designation as an ETC. She further testified that an applicant is required to be advertising its universal service package at the time of the application.

Ms. Mallett further testified that GCC was asking the Commission to accept its universal service package and advertising, essentially sight unseen. Since there is no package to evaluate and no advertising to evaluate she could not give an opinion on whether or not a package yet to be developed would fulfill the requirements. She further testified that the FCC requires the Commission to find it in the public interest to designate another carrier as an ETC in the rural telephone companies' service area prior to such designation and that public interest was a concern to her. She was concerned that customers of GCC might receive services of a lower quality and at a higher rate than traditional landline service. She was concerned specifically because of the higher proportion of elderly and lower income people in the rural areas than in the metro areas. She was also concerned because of the low density of the population, and the limitations on battery life of any phone on which a consumer may depend in an emergency. Ms. Mallett testified that she had a public interest concern that customers would not have redress to the Commission should anyone have a complaint about service from a nonregulated carrier such as GCC in the provision of subsidized services.

In cross-examination by Mr. Ayotte, Ms. Mallett testified that the applicant for ETC designation should be offering the services, not necessarily providing them. They should, however, have the services defined, priced and be at least prepared to advertise them.

FINDINGS OF FACT AND CONCLUSIONS OF LAW

Based upon all of the evidence and testimony submitted to and admitted into evidence in this Cause, the Commission makes the following findings and conclusions:

1. The Commission has jurisdiction over these proceedings pursuant to the Act, Article IX, §18 of the Oklahoma Constitution, Title 17, Okla. Stats. §139.106, *et seq.*, and OAC 165:55.

2. On May 8, 1997, the FCC issued its Universal Service Report and Order, CC Docket 96-45, Order No. 97-157 ("Universal Service Order") implementing the Communications Act of 1934, as amended by the Act.

3. The Universal Service Order provides that only eligible telecommunications carriers designated by a state commission shall receive federal universal service support. Under 47 U.S.C. § 214(e), a state commission may in the case of an area served by a rural telephone company and shall in the case of all other areas, upon its own motion or upon request, designate a common carrier that meets the requirements set forth by the FCC as an ETC. The FCC defines a service area as a geographic area established by a state commission for the purpose of determining universal service obligations and support mechanisms.

4. The Act further provides that states can and shall adopt state universal service mechanisms consistent with the Act. The Oklahoma Legislature and the Commission responded by providing for the creation of the Oklahoma Universal Service Fund ("OUSF").

5. On August 28, 1998, GCC filed an Application with the Commission requesting designation as an ETC to receive federal universal service support under the Act and corresponding FCC regulations, and for the purpose of receiving support from the OUSF pursuant to state law.

6. GCC requested ETC designation in each local exchange of the non-rural carrier and in the study areas of each rural telephone company contained within the twelve counties listed on Attachment "A" to its Application. The rural service areas for which GCC seeks certification as an ETC are set forth on Exhibit 1 to this Order. The non-rural exchanges for which GCC seeks certification as an ETC are set forth in Exhibit 2 to this Order.

7. Carnegie Telephone Company, Hinton Telephone Company, Inc., Santa Rosa Telephone Cooperative, Southwest Oklahoma Telephone Company, and Terral Telephone Company are each an incumbent local exchange carrier ("LEC") and the only designated ETC in the rural service areas in which GCC seeks ETC designation.

8. SWBT is a non-rural incumbent LEC providing landline local exchange service in certain areas of Oklahoma for which it holds a certificate of public convenience and necessity from the Commission. SWBT is the only designated ETC in the non-rural exchanges for which GCC seeks ETC designation. SWBT did not seek intervention in this proceeding and did not file or submit any objections to GCC's Application.

9. A carrier designated as an ETC under the Act must: (1) be a common carrier; (2) offer the supported services set forth in 47 C.F.R. § 54.101(a) throughout a designated service area; and (3) advertise the availability of such services and the charges therefor using media of general distribution.

10. The criteria to be considered by the Commission for Federal ETC designation are contained in Section 214(e).

11. The supported services set forth in 47 C.F.R. § 54.101(a) are:

- a. voice grade access to the public switched telephone network;
- b. local usage;
- c. dual tone multi-frequency signaling or its functional equivalent;
- d. single-party service or its functional equivalent;
- e. access to emergency services;
- f. access to operator services;
- g. access to interexchange service;
- h. access to directory assistance;
- i. toll limitation for qualifying low-income consumers.

12. In areas served by a rural telephone company, 47 U.S.C. § 214(e)(2) further requires the Commission to determine that the designation of an additional ETC is in the public interest, for purposes of seeking both federal and state universal service funds.

13. The Commission has established, for non-rural carriers, a universal service support area on a local exchange basis.

14. In an area served by a rural telephone company, the designated service area must include the rural telephone company's entire study area, unless and until the FCC and the Commission establish a different universal service support area.

15. GCC is a CMRS provider, and a common carrier as defined by 47 U.S.C. § 153(10) and 47 C.F.R. § 20.9(a)(7). GCC is licensed by the FCC and currently provides cellular services over its own facilities to Oklahoma consumers throughout a twelve-county area in Oklahoma.

16. The evidence establishes that GCC currently advertises its wireless services to both residential and business customers through different media of general distribution, including newspaper, television, radio, and billboard advertising. GCC also maintains retail stores for its wireless business, throughout its authorized service area in Oklahoma. At the time of hearing, GCC indicated that it has not yet developed a universal service package to offer either residential or business customers in the State of Oklahoma, and therefore, does not currently advertise any universal service offering in the State. Upon development of GCC's universal service offerings and rates, and prior to seeking any universal service funding, GCC agreed to submit a copy of its advertising for said offerings to the Director of the Public Utility Division for Commission approval. GCC also agreed to comply with any advertising form and content requirements adopted by the FCC or the Commission. GCC stated it will advertise its universal service offerings, including its rates, using the same media of distribution that it currently utilizes to advertise its wireless services in the State of Oklahoma. Based upon the representations of GCC regarding advertising, GCC is deemed to meet the advertising requirement of 47 U.S.C. §214(e)(1).

17. With regard to the five (5) rural telephone companies' study areas listed above in which GCC seeks ETC designation, GCC's service area and existing signal coverage encompasses each company's current study area.

18. GCC is licensed and presently provides wireless services throughout the study areas of the rural telephone companies in which it seeks ETC designation and the non-rural exchanges of SWBT set forth in Exhibit 2 to this Order. GCC has indicated that once it has been designated an ETC, it will offer and advertise its approved universal services throughout each of these study areas and the non-rural exchanges of SWBT.

19. Based upon the evidence submitted herein, the Commission finds that there is sufficient evidence to conclude that it is in the public interest for GCC to be designated as an additional ETC in the study areas set forth in Exhibit 1 to this Order. Such designation will

provide greater customer choice and the benefits of competition to consumers within these rural study areas by adding an additional universal service provider in such areas. Such choice and competition benefits will bring new telecommunications services and a more rapid deployment of new technologies in rural areas of the State and should lead to better service for Oklahoma's rural customers.

20. With regard to GCC's request for ETC designation for the purpose of receiving support from the OUSF for universal services offered in non-rural areas, GCC is a CMRS provider for the purpose of OAC 165:59-3-14(f).

21. GCC will qualify as an ETC as defined by the Act, 47 U.S.C. § 214 and 47 C.F.R. § 54.1 *et seq.*, for the purpose of receiving federal universal service support for universal services provided in non-rural areas, when the applicable requirements set forth below, as they relate to federal universal service funds in non-rural areas, are satisfied and approved by this Commission.

22. GCC shall be designated as an ETC subject to its compliance with the following conditions:

a. GCC must submit and have a tariff approved by this Commission. The tariff must include a complete description of the terms, conditions, and pricing for its universal service offerings and be in compliance with OAC 165:55 *et seq.*

b. GCC must develop one or more universal service offerings and an advertising plan, both containing pricing information. Said plans shall be approved by this Commission prior to GCC seeking universal service funding.

c. GCC must submit to ongoing Commission oversight and regulation, specifically regarding quality of service, consumer complaints, and pricing of its universal service offerings (tariffs).

d. GCC must accept carrier of last resort obligation throughout the rural telephone companies' study areas in which it requests ETC designation and thereafter offer its approved universal service offerings throughout such areas.

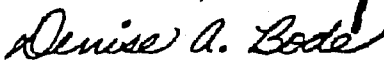
ORDER

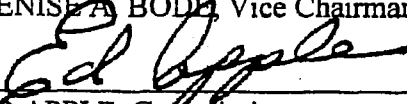
IT IS THEREFORE THE ORDER OF THE CORPORATION COMMISSION that GCC License Corporation be designated as an ETC in the following SWBT exchanges: Alex, Altus, Anadarko, Bessie, Binger, Blair, Cement, Chickasha, Cordell, Duncan, Eldorado, Elk City, Ft. Cobb, Granite, Headrick, Hobart, Mangum, Marlow, Minco, Olustee, Lone Wolf, Pocasset, Ringling, Rush Springs, Ryan, Rocky, Sayre, Tuttle, Walters and Waurika and in the study areas of the following rural telephone companies: Carnegie Telephone Company, Hinton Telephone Company, Inc., Santa Rosa Telephone Cooperative, Southwest Oklahoma Telephone Company, and Terral Telephone Company, pursuant to the Act, subject to the following conditions:

1. GCC shall file an approved tariff pursuant to OAC 165:55 *et seq.*
2. GCC must develop a local service plan and an advertising plan, both containing pricing information and submit them to the Director of the Public Utility Division for approval, prior to seeking any universal service funding.
3. GCC must accept ongoing Commission oversight, specifically regarding quality of service, consumer complaints, and pricing (tariffs).
4. GCC must accept carrier of last resort obligation.

CORPORATION COMMISSION OF OKLAHOMA


BOB ANTHONY, Chairman


DENISE A. BODE, Vice Chairman


ED APPLE, Commissioner

DONE AND PERFORMED THIS 11 DAY OF APRIL 2001, BY ORDER OF THE COMMISSION:

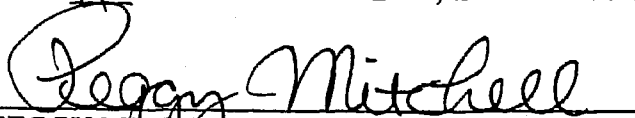

PEGGY MITCHELL, Secretary

EXHIBIT 1

GCC's Designated ETC Service Areas

<u>Local Telephone Company</u>	<u>Study Area</u>
Carnegie Telephone Company	Alfalfa Carnegie
Hinton Telephone Company, Inc.	Cedar Lake Colony Eakly Hinton Hydro Lookeba
Santa Rosa Telephone Cooperative	Devol Elmer Randlett
Southwest Oklahoma Telephone Company	Duke Martha Reed Vinson Willow
Terral Telephone Company	Terral

EXHIBIT 2

Southwestern Bell Telephone Company Exchanges:

**Alex
Altus
Anadarko
Bessie
Binger
Blair
Cement
Chickasha
Cordell
Duncan
Eldorado
Elk City
Ft. Cobb
Granite
Headrick
Hobart
Mangum
Marlow
Minco
Olustee
Lone Wolf
Pocasset
Ringling
Rush Springs
Ryan
Rocky
Sayre
Tuttle
Walters
Waurika**

MDA
BEFORE THE CORPORATION COMMISSION OF THE STATE OF OKLAHOMA

APPLICATION OF GCC LICENSE)
CORPORATION FOR CERTIFICATION AS AN)
ELIGIBLE TELECOMMUNICATIONS CARRIER)
PURSUANT TO THE TELECOMMUNICATIONS)
ACT OF 1996)

CAUSE NO. PUD 980000470

ORDER NO. 451535

HEARING: April 30, 2001 and May 1, 2001,
Before the Commission *en banc*

APPEARANCES: Dallas E. Ferguson and Mark J. Ayotte,
Attorneys for GCC License Corporation
William J. Bullard and Kimberly K. Brown, Attorneys for
Chouteau Telephone Company and
Totah Telephone Company
Ron Comingdeer, Attorney for Carnegie Telephone Company,
Hinton Telephone Company, Santa Rosa Telephone
Cooperative, Inc., and Southwest Oklahoma Telephone Company
Elizabeth Ryan, Assistant General Counsel for the
Public Utility Division

ORDER REGARDING MOTIONS FOR RECONSIDERATION AND CLARIFICATION

BY THE COMMISSION:

The Corporation Commission of the State of Oklahoma (the "Commission") being regularly in session and the undersigned Commissioners being present and participating, there comes on for consideration the motions for reconsideration, modification, and clarification of Order No. 450765, filed herein by GCC Licensing Corporation ("GCC"); Carnegie Telephone Company, Hinton Telephone Company, Santa Rosa Telephone Cooperative, Inc., and Southwest Oklahoma Telephone Company ("Rural Telephone Companies"); Chouteau Telephone Company and Totah Telephone Company.

The Commission issued Order No. 450765 on April 11, 2001. This Order granted Eligible Telecommunications Carrier ("ETC") status to GCC and required that GCC meet certain requirements prior to seeking universal service funding. The Commission, having reviewed the

motions filed herein and considered the arguments of counsel, clarifies Order No. 450765 as follows:

1. GCC is designated as an ETC, both in the non-rural areas served by Southwestern Bell and in the rural areas set forth on Exhibit 1 to Order No. 450765; subject to its compliance with the requirements set forth in Order No. 450765, as clarified herein.
2. Although GCC is a CMRS carrier and may seek funding from the OUSF pursuant to OAC 165:59-1-4, no predetermination of the level of that funding or the types of expenses for which funding may be sought, is made in this Cause. Each application for OUSF funding is evaluated at the time it is made to determine whether the request is for services supported by the OUSF.
3. OAC 165:59-3-14 (f) provides that a CMRS provider may apply for reimbursement from the OUSF for the provision of services supported by the OUSF, notwithstanding the criteria set forth in that Section for designation as an eligible local exchange telecommunications service provider. Therefore, GCC could come to the OUSF for reimbursement of the services supported by the OUSF, even if it were not designated an ETC. Pursuant to OAC 165:59-3-14 (d) (3), a designation as an ETC in an area served by an incumbent local exchange carrier serving less than 75,000 access lines carries with it an obligation to be a carrier of last resort. The Commission has the discretion to require that GCC accept Carrier of Last Resort obligations, as a condition of designating GCC as a Carrier of Last Resort, and that it is in the public interest to so designate GCC. The Commission therefore finds that GCC shall file a statement with the Commission which sufficiently demonstrates that the company will accept carrier of last resort obligation in each exchange and study areas in which GCC requests ETC designation.
4. The Commission finds that GCC shall file an application, in the form of a tariff, setting forth the rates and the terms and conditions of service, which GCC will offer as its universal service product. If no objections are filed within 30 days of the date of filing, the Commission may issue an order approving the tariff,

without notice and hearing. In the event objections are filed, the Commission may set a hearing on the objections if additional information or arguments are deemed necessary. The Commission may however issue an order, without notice and hearing, after reviewing the written objections.

5. A very significant factor considered by the Commission in its evaluation of whether to grant ETC designation to GCC was the agreement offered by GCC on the record to accept the Commission's oversight, with regard to quality of service, consumer complaints, slamming, billing standards, and customer service issues. Additionally, the Commission finds that oversight of the rates charged by GCC for its universal service offering is also appropriate. The Commission therefore finds that GCC shall file a statement with the Commission which sufficiently demonstrates that the company accepts ongoing Commission oversight, specifically with regard to rates, quality of service, consumer complaints, slamming, billing standards, and customer service issues, as those requirements are set forth in Chapter 55 of the Commission's Rules.
6. GCC shall file an advertising plan with the Director of the Public Utility Division. If no objection is provided to GCC by the Director within 30 days after submission, the advertising plan shall be deemed approved. The advertising plan shall contain the following:
 - a. A statement by GCC that it will advertise the availability of the supported services and the corresponding charges within its service areas in a manner that fully informs the general public, consistent with 47 U.S.C. § 214(e)(1).
 - b. A list of the newspapers of general circulation in which GCC will advertise its universal service offerings and a list of other media or outlets GCC will use to advertise.
 - c. A general description of the size of the print advertisements to be used to advertise GCC's universal service offering.
7. The Commission does not intend for the issue of "public interest" to be relitigated in this Cause. Having designated GCC as an ETC, the Commission expects that

GCC will comply with the requirements set forth in Order No. 450765, as clarified herein. In the event GCC fails to maintain compliance with these requirements, the Commission will consider revocation of GCC's designation as an ETC, upon proper application, notice and hearing.

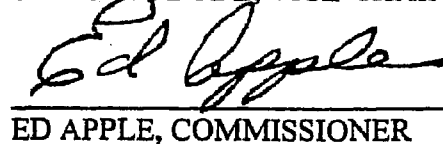
IT IS THEREFORE THE ORDER OF THE COMMISSION that Order No. 450765 is clarified and modified as set forth above.

IT IS FURTHER ORDERED that the remainder of Order No. 450765, not specifically clarified or modified herein, shall remain in full force and effect.

CORPORATION COMMISSION OF OKLAHOMA


BOB ANTHONY, CHAIRMAN

DENISE A. BODE, VICE-CHAIRMAN


ED APPLE, COMMISSIONER

DONE AND PERFORMED THIS 1st DAY OF, MAY 2001, BY ORDER OF THE COMMISSION:


PEGGY MITCHELL, SECRETARY

EXHIBIT "B"

SUMMARY OF CASE

Appellant GCC License Corporation is licensed by the Federal Communications Commission ("FCC") to provide commercial mobile radio services ("CMRS"), e.g., cellular service, in Oklahoma. On August 28, 1998, GCC filed an Application with the Commission seeking designation as an eligible telecommunications carrier ("ETC") in certain areas within its existing service area in accordance with federal and state law. As an ETC, GCC would be authorized to receive federal and state "universal service" support, which enables designated carriers to receive monetary subsidies for providing basic local telephone service to qualified low-income consumers and consumers in high cost rural areas. Specifically, GCC requested ETC designation in each non-rural local exchange and in the study areas of each rural telephone company within twelve counties in Southwestern Oklahoma. GCC's Application was opposed by certain intervening rural incumbent local exchange carriers ("ILECs") located both within and outside the designated service areas. Each of the ILECs had previously been granted ETC status by the Commission and is currently the only designated ETC in its respective service area.

On January 14, 1999, and March 15, 1999, an evidentiary hearing was held before an Administrative Law Judge ("ALJ") wherein GCC demonstrated that it fully meets all applicable federal and state requirements for ETC designation. The ALJ issued an Initial Report to the Commission on July 1, 1999, and a Supplemental Report on August 4, 2000. Following a series of administrative motions and arguments, the Commission conducted deliberations *en banc* on October 4, 2000. Despite considerable delay, on April 11, 2001 the Commission issued Order No. 450765, designating GCC as an ETC with certain conditions. Both GCC and the intervening rural telephone companies filed motions for reconsideration, clarification or modification of the Order. On May 1, 2001, the Commission issued Order No. 451535 in response to those motions.

ATTACHMENT "B"

Western Wireless' Self Certifications to USAC and Submission of Line Count Information

DESIGNATION OF COMMON CARRIERS) OKLAHOMA
AS ELIGIBLE TELECOMMUNICATIONS)
CARRIERS (ETC) TO RECEIVE FEDERAL) CORPORATION
UNIVERSAL SERVICE FUNDS PURSUANT)
TO THE FEDERAL COMMUNICATIONS) COMMISSION
COMMISSION'S FOURTEENTH REPORT)
AND ORDER ADOPTING A STATE)
CERTIFICATION PROCESS)

**STATE OF WASHINGTON
COUNTY OF KING**

BEFORE ME, the undersigned authority, on this day personally appeared Gene DeJordy of WWC License LLC, a subsidiary of Western Wireless Corporation ("Western Wireless"), who on his oath deposed and said:

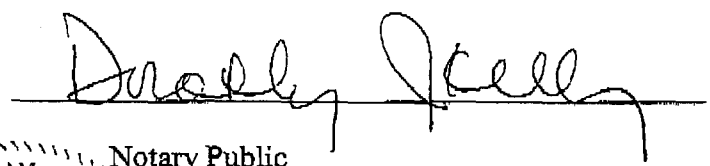
1. My name is Gene DeJordy. I am employed by Western Wireless in the position of Vice President of Regulatory Affairs. In this position, I am personally familiar with the Federal Universal Service support received by Western Wireless and how the Company uses these funds.
2. The Oklahoma Commission designated Western Wireless as an Eligible Telecommunications Carrier in Docket No. 450765 by order dated April 11, 2001, subject to the conditions set forth in the Order.
3. The Federal Universal Service support funds received by Western Wireless, to the extent any are applied for and received, will be used only for the provision, maintenance, and upgrading of facilities for which the support is intended, as designated by the Federal Communications Commission consistent with Section 254(e) of the Federal Telecommunications Act. These funds will be used to provide the following supported

services as designated in 47 C.F.R. § 54.101 which are available throughout Western Wireless' designated service area.

- (a) voice grade access to the public switched network;
 - (b) local usage;
 - (c) dual tone multi frequency signaling, or its functional equivalent;
 - (d) single party service, or its functional equivalent;
 - (e) access to emergency services, including 911 and enhanced 911 service;
 - (f) access to operator services;
 - (g) access to interexchange service;
 - (h) access to directory assistance;
 - (i) toll blocking for qualifying low income customers; and
 - (j) toll control for qualifying low-income customers.
3. The matters addressed above are within my personal knowledge and are true and correct.

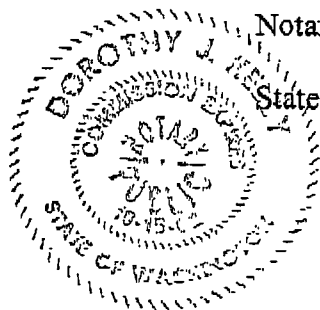

Name

SWORN TO AND SUBSCRIBED BEFORE ME, the undersigned authority, on
this the 10th day of September, 2002.


Notary Public

State of Washington

SEAL:



Graphics Off



The Universal Service Administrative Company

Home

High Cost

Low Income

Rural Health Care

Schools & Libraries

Overview

Process Overview
 Timetable/Deadlines
 Acronym Glossary

HC Main > Certification Checklists Search

Certification Checklist Search Results


Study Area Name: Alltel Oklahoma Inc.
Study Area Code: 431965
State: OK
October1 2003: 09/29/2003
Study Area Name: Atlas Tel. Co.
Study Area Code: 431966
State: OK
October1 2003: 09/29/2003
Study Area Name: Beggs Tel. Co. Inc.
Study Area Code: 431968
State: OK
October1 2003: 09/29/2003
Study Area Name: Bixby Tel. Co. Inc.
Study Area Code: 431969
State: OK
October1 2003: 09/29/2003
Study Area Name: Canadian Valley Telephone Co., Inc.
Study Area Code: 431974
State: OK
October1 2003: 09/29/2003
Study Area Name: Carnegie Telephone Co.
Study Area Code: 431976
State: OK
October1 2003: 09/29/2003
Study Area Name: Central Oklahoma Tel. Co.
Study Area Code: 431977
State: OK
October1 2003: 09/29/2003
Study Area Name: Cherokee Telephone Company
Study Area Code: 431979
State: OK
October1 2003: 09/29/2003
Study Area Name: Chickasaw Tel. Co.
Study Area Code: 431980
State: OK
October1 2003: 09/29/2003
Study Area Name: Chouteau Tel. Co.



Blink Links

- [Certification Checklists](#)
- [Maps](#)
- [Sample Letters](#)
- [Forms](#)
- [FCC Filings](#)

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- Report **Fraud, Waste and Abuse** with our [Whistleblower Hotline](#)

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Components

High Cost Loop Support
 Local Switching Support
 Long Term Support
 Interstate Access Support
 Forward Looking
 Line Support (ICLS)

Telecom Carriers

Certification Requirements
 Line Count Requirements
 Confidentiality Procedures
 Disaggregation

Tools

High Cost Model
 Certification Checklist
 Disaggregation Maps
 IAS Maps

Forms

ICLS Sample Letters
 USAC Forms

Study Area Code: 431981
State: OK
October1 2003: 09/29/2003
Study Area Name: Cimarron Telephone Company, Inc.
Study Area Code: 431982
State: OK
October1 2003: 09/29/2003
Study Area Name: Cross Tel. Co.
Study Area Code: 431985
State: OK
October1 2003: 09/29/2003
Study Area Name: Dobson Tel. Co.
Study Area Code: 431988
State: OK
October1 2003: 09/29/2003
Study Area Name: Grand Telephone Co. Inc.
Study Area Code: 431994
State: OK
October1 2003: 09/29/2003
Study Area Name: KanOkla Tel. Assoc. Inc. - OK
Study Area Code: 431788
State: OK
October1 2003: 09/29/2003
Study Area Name: LAVACA TEL dba PINNACLE
Study Area Code: 431704
State: OK
October1 2003: 09/29/2003
Study Area Name: McCloud Telephone Company
Study Area Code: 432006
State: OK
October1 2003: 09/29/2003
Study Area Name: Medicine Park Tel. Co.
Study Area Code: 432008
State: OK
October1 2003: 09/29/2003
Study Area Name: Mid-America Telephone Co. dba TDS Telecom
Study Area Code: 432010
State: OK
October1 2003: 09/29/2003
Study Area Name: Oklahoma Alltel Inc.
Study Area Code: 432011
State: OK
October1 2003: 09/29/2003
Study Area Name: Oklahoma Comm Systems dba

Study Area Name: Oklahoma Comm Systems and
TDS Telecom
Study Area Code: 431984
State: OK
October1 2003: 09/29/2003
Study Area Name: Oklahoma Tel.
Study Area Code: 432013
State: OK
October1 2003: 09/29/2003
Study Area Name: Oklahoma Western Tel. Co.
Study Area Code: 432014
State: OK
October1 2003: 09/29/2003
Study Area Name: Panhandle Tel. Coop. Inc.
Study Area Code: 432016
State: OK
October1 2003: 09/29/2003
Study Area Name: Pine Telephone Company, Inc.
Study Area Code: 432017
State: OK
October1 2003: 09/29/2003
Study Area Name: Pioneer Tel. Coop. Inc.
Study Area Code: 432018
State: OK
October1 2003: 09/29/2003
Study Area Name: Pottawatomie Telephone
Company
Study Area Code: 432020
State: OK
October1 2003: 09/29/2003
Study Area Name: Sage Telecom, Inc.
Study Area Code: 439002
State: OK
October1 2003:
Study Area Name: Salina-Spavinaw Tel. Co.
Study Area Code: 432022
State: OK
October1 2003: 09/29/2003
Study Area Name: Santa Rosa Telephone
Cooperative, Inc.
Study Area Code: 432141
State: OK
October1 2003: 09/29/2003
Study Area Name: Shidler Tel. Co.
Study Area Code: 432023
State: OK

October1 2003: 09/29/2003
Study Area Name: South Central Tel. Assn., Inc. - OK
Study Area Code: 431831
State: OK
October1 2003: 09/29/2003
Study Area Name: Southwest Oklahoma Tel. Co.
Study Area Code: 432025
State: OK
October1 2003: 09/29/2003
Study Area Name: SOUTHWESTERN BELL-OK
Study Area Code: 435215
State: OK
October1 2003:
Study Area Name: The Hinton Telephone Company of Hinton, Oklahoma, Inc.
Study Area Code: 431995
State: OK
October1 2003: 09/29/2003
Study Area Name: Totah Telephone Co. Inc. - (OK)
Study Area Code: 432030
State: OK
October1 2003: 09/29/2003
Study Area Name: Total Telecommunications Services, Inc.dba Terral Tel. Co
Study Area Code: 432029
State: OK
October1 2003: 09/29/2003
Study Area Name: US Cellular Corporation - OK
Study Area Code: 439004
State: OK
October1 2003:
Study Area Name: Valliant Tel. Co.
Study Area Code: 432032
State: OK
October1 2003: 09/29/2003
Study Area Name: Valor Telecommunications of Oklahoma, LLC
Study Area Code: 431165
State: OK
October1 2003: 09/29/2003
Study Area Name: Western Wireless
Study Area Code: 439001
State: OK
October1 2003: 09/29/2003

October1 2003: 09/29/2003
Study Area Name: Wyandotte Tel. Co. dba TDS
Telecom
Study Area Code: 432034
State: OK
October1 2003: 09/29/2003

New Search

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ST	ILEC SAC	ILEC Study Area Name	ILEC Reported Lines	CETC SAC	CETC Study Area Name	Rural	ETC	Eligible	CETC Reported Lines
OK	431966	Atlas Tel. Co.	2277	439004	United States Cellular Corporation	R	N	N	783
OK	431968	Beggs Tel. Co. Inc.	1943	439004	United States Cellular Corporation	R	N	N	605
OK	431968	Beggs Tel. Co. Inc.	1943	439005	Dobson Cellular Systems, Inc.	R	N	N	224
OK	431969	Bixby Tel. Co. Inc.	10730	439004	United States Cellular Corporation	R	N	N	4112
OK	431974	Canadian Valley Telephone Co., Inc.	1264	439004	United States Cellular Corporation	R	N	N	231
OK	431974	Canadian Valley Telephone Co., Inc.	1264	439005	Dobson Cellular Systems, Inc.	R	N	N	274
OK	431976	Carnegie Telephone Co.	1601	439001	Western Wireless	R	Y	Y	326
OK	431976	Carnegie Telephone Co.	1601	439005	Dobson Cellular Systems, Inc.	R	N	N	448
OK	431988	Dobson Tel. Co.	4628	439005	Dobson Cellular Systems, Inc.	R	N	N	2653
OK	431995	The Hinton Telephone Company of Hinton, Oklahoma, Inc.	3694	439001	Western Wireless	R	Y	Y	63
OK	432010	Mid-America Telephone Co. dba TDS Telecom	1742	439004	United States Cellular Corporation	R	N	N	293
OK	432013	Oklahoma Tel. & Telegraph Inc.	2280	439004	United States Cellular Corporation	R	N	N	451
OK	432013	Oklahoma Tel. & Telegraph Inc.	2280	439005	Dobson Cellular Systems, Inc.	R	N	N	447
OK	432017	Pine Telephone Company, Inc.	6683	439004	United States Cellular Corporation	R	N	N	2265
OK	432025	Southwest Oklahoma Tel. Co.	909	439001	Western Wireless	R	Y	Y	138
OK	432029	Total Telecommunications Services, Inc. dba Terral Tel. Co	291	439004	United States Cellular Corporation	R	N	N	66
OK	432032	Valliant Tel. Co.	2329	439004	United States Cellular Corporation	R	N	N	897
OK	432034	Wyandotte Tel. Co. dba TDS Telecom	826	439004	United States Cellular Corporation	R	N	N	506
OK	432141	Santa Rosa Telephone Cooperative, Inc.	730	439001	Western Wireless	R	Y	Y	5
OK	432141	Santa Rosa Telephone Cooperative, Inc.	730	439004	United States Cellular Corporation	R	N	N	443

UNIVERSAL SERVICE ADMINISTRATIVE COMPANY
CETC Reported Lines By Incumbent Study Area - High Cost Loop Support
Fourth Quarter 2003

Appendix HC18
4Q2003
Page 1 of 1

ILEC SAC	ILEC Study Area Name	ILEC Reported Lines	CETC SAC	CETC Study Area Name	Rural	ETC	Eligible	CETC Reported Lines
431976	Carnegie Telephone Co.	1,695	439001	Western Wireless	R	Y	Y	352
431995	The Hinton Telephone Company of Hinton, Oklahoma, Inc.	3,791	439001	Western Wireless	R	Y	Y	87
432025	Southwest Oklahoma Tel. Co.	934	439001	Western Wireless	R	Y	Y	134
432029	Total Telecommunications Services, Inc.dba Terral Tel. Co	292	439001	Western Wireless	R	Y	Y	1
432141	Santa Rosa Telephone Cooperative, Inc.	747	439001	Western Wireless	R	Y	Y	6